

Appellants Provisionally Elect With Traverse

In response to the Office Action dated July 14, 2005 requiring restriction election,

Appellants provisionally elect with traverse Group I (claims 1-54 and 83-86). Reconsideration and withdrawal of said restriction requirement is respectfully requested. As shown in more detail herein, the restriction requirement is without legal basis.

The Prosecution History

The record shows that the following dates and papers are associated with this application:

1. 04/10/03 Non-final Rejection
2. 07/17/03 Final Rejection
3. 10/17/03 Notice of Appeal
4. 01/07/04 Appeal Brief
5. 06/23/04 2nd Notice of Appeal
6. 06/23/04 Supplemental Appeal Brief
7. 09/22/04 Notice of Allowability

The record also shows that the following Examiners have been assigned to this application:

1. Dr. Geoffrey Akers, P.E. for the Office Actions dated 04/10/03 and 07/17/03.
2. Hani Kazimi for the Office Action dated 03/30/04.
3. SPE Vincent Millin for the Notice of Allowability (as indicated by the PAIR system on 02/08/05).
4. James Alpert for the current Office Action.

The Requirement is not legally proper because it is not timely

The Appellants respectfully submit that the restriction requirement is not in compliance with 37 C.F.R. § 1.142. The time for making a restriction has expired. One of the requirements for a proper restriction requirement is that it be made *before* a final action (37 C.F.R. § 1.142(a)). However, a final rejection was made July 18, 2003. Subsequently, as noted above, Notices of Appeal and Appeal Briefs have also been filed (in response to the final rejection). Appellants respectfully submit that the rules may permit prosecution to be reopened after the filing of an Appeal Brief in order to introduce a new ground of *rejection*, but not to merely introduce a (first) *restriction* requirement (which is the current situation). Thus, the requirement is not legally proper.

Furthermore, MPEP § 811 indicates that an examiner is to “make a proper requirement as early as possible in the prosecution, in the first action if possible, otherwise, as soon as the need for a proper requirement develops.” The Office had ample time for making a requirement. The claims that were finally rejected July 17, 2003 have not been amended and remain pending. There was no amendment that could have necessitated the restriction requirement. That is, the Appellants did not necessitate any change in the claim status resulting in a later “need” to make a restriction requirement.

The prosecution history is evidence that there never was a “need” for a restriction requirement from initial filing through the Supplemental Appeal Brief filing. It follows that the “soon as the need” (MPEP § 811) time period for making a restriction requirement has expired. Thus, the requirement is not legally proper and should be withdrawn.

Furthermore, the Office's *first* allegation of a need for restriction appears to be an effort to deny Appellants judicial review of the refusal to grant their application. If true, this constitutes an abuse of agency authority. Such actions violate the Administrative Procedures Act, 5 U.S.C. § 701 *et seq.* Such agency action also violates the fundamental legal principle that an administrative agency may *not* avoid review of its actions by engaging in repetitive activity which does not remain in place long enough to enable judicial review. *Southern Pacific Terminal Co. v. Interstate Commerce Com.*, 219 U.S. 498, 55 L.Ed. 310, 31 S. Cr. 279 (1911).

The Requirement is not legally proper because there is no serious burden

MPEP § 803 sets forth criteria for a proper restriction requirement. One of the criteria is that there must be a serious burden on the examiner in order for restriction to be required. Conversely, if the search and examination of an entire application can be made (which has already occurred in this case) without serious burden then the examiner must examine it on the merits.

Appellants respectfully submit that the requirement is not legally proper because the criteria for serious burden has not been met. Rather, the prosecution history is evidence that there never was a serious burden. The application has *already* been searched, there has already been an examination, and the examination was on the merits. Furthermore, a final rejection has already been made and Appeal Briefs have been filed in response thereto. The prosecution record itself is clear evidence that there was (and continues to be) no serious burden. Also, even the Action admits that the alleged Groups are classifiable in the same class/subclass (i.e.,

902/13,23), resulting in the same search (902/13,23) in each Group. This is further evidence of no serious burden. Thus, the requirement is not legally proper and should be withdrawn.

Additionally, contrary to the current Examiner's opinion, the three prior Examiners assigned to the application all concluded that there was no need for a restriction requirement. Hopefully, the Actions of these other Examiners were "complete as to all matters" in accordance with 37 C.F.R. § 1.104(b). Further, the standards of examination "must be the same throughout the Office" (MPEP § 706(I)). Thus, the prior Examiners' conclusions of no need for a restriction requirement constitutes file wrapper estoppel. Otherwise, the Office is admitting on the record that all of the previous Office Actions did not meet the examination standard of the Office.

Appellants respectfully disagree with the statement in the Action (at page 2) that "the claims are of such distinctiveness and complexity that further prosecution would without restriction would require additional, unproductive time-consuming search and analysis". The Examiner ignores the fact that the application (including Groups I and II) has *already* been searched and examined, resulting in a final rejection and even a Supplemental Appeal Brief. Is the Office admitting that it did not previously conduct a proper search and examination (which resulted in improper Office Actions necessitating needless Responses thereto)?

The Office also has no legal basis for restriction requirement just because an application was reassigned to another Examiner, as is the current situation. This would also violate the Office's requirement for a same standard of examination. If the claims are too complex for the current Examiner, which the statement implies, then Appellants request that the application be returned to one of the previous Examiners (who apparently did not have a problem with claim complexity).

To allege “serious burden” at this point (i.e., Supplemental Appeal Brief after a final rejection) in the prosecution is ludicrous. Unless the Office has a newly stated policy of waiting for a Supplemental Appeal Brief before first applying a restriction, then the requirement by the Examiner must be deemed arbitrary and capricious.

The Alleged Groups

Claims 1-86 are pending. The Action alleges two distinct Groups:

- I. Claims 1-54 and 83-86, drawn to a machine and method, classifiable in 902/13,23.
- II. Claims 55-82, drawn to a method, classifiable in 902/13,23.

The Alleged Groups Are Not Distinct

The Action relies on MPEP § 806.05(e) to allege that the sole reason the Groups are distinct from each other is because “the process requires only that a machine, deliver either cash or digital content, but not both. Since there are a variety of ways of dispensing cash or digital content from various types of machines, these method steps can be performed by another apparatus”. As best understood, the Office alleges that the process as claimed (Group II) can be practiced by another materially different apparatus (from that of Group I).

The Appellants respectfully disagree. MPEP § 806.05 states that “The burden is on the examiner to provide reasonable examples that recite material differences.” However, the Office has not met the prerequisite criteria for insisting on restriction requirement. For example, the Action has not shown any example (evidence) of a *materially different* apparatus by which the process (Group II) may be practiced, as is required. The process (Group II; claim 55) requires the

apparatus recited in claim 7. Yet apparatus claim 7 is in Group I. How can the processes (Group II) be practiced by another materially different apparatus than from Group I when the apparatus actually recited in the process is from Group I? That is, Group II has the same apparatus (claim 7). Hence, Group II cannot be practiced without the Group I apparatus features (of claim 7).

As the Office has not established that the process as claimed can be practiced by another materially different apparatus, the reason provided for insisting on restriction is not valid. Therefore, it is respectfully requested that the restriction requirement be withdrawn.

Rejoinder

The Action has not addressed the issue of rejoinder of claims (MPEP § 821.04). Thus, the Action is incomplete. Appellants respectfully submit that even if the claims were somehow directed to different Groups as alleged, that the process claims would still be entitled to rejoinder. Appellants reserve all rights to rejoinder.

The Restriction Requirement Is Without Legal Basis

Appellants also respectfully wish to point out that the Action fails to state a legally sufficient basis for imposing a restriction requirement. The Action indicates that the restriction requirement is solely based on a showing of the alleged inventions being “distinct.” The statutory authority for the Patent Office to impose a restriction requirement is found in 35 U.S.C. § 121. The statute expressly states that before the Patent Office may require restriction, the inventions must be both “independent” and “distinct.” The regulations that have been promulgated pursuant to this statute, 37 C.F.R. § 1.141 and 37 C.F.R. § 1.142, both expressly

state that before a restriction requirement may be imposed the inventions claimed must be both independent and distinct.

In the Action, there are only unsupported assertions that the sets of claims are “distinct.”

There are no assertions that the sets of claims are “independent”, as is required. This standard does not comply with the statutory requirements. Therefore, the standard used in the Action for seeking to impose a restriction requirement is legally incorrect due to noncompliance with the clear wording of both the statute and the regulations promulgated thereunder. The application of such an incorrect legal standard is arbitrary, capricious, and contrary to law in violation of the Administrative Procedures Act.

Furthermore, the Patent Office has acknowledged that before claimed inventions can be considered to be “independent” the inventions must be unconnected in design, operation, or effect. MPEP § 802.01. All the claims directed to Appellants’ invention are related in design, operation, and effect. Thus, the statutory requirements are not met and no restriction requirement may be imposed.

Status of Claims

The Action refers to a “last set of amended claims, received 24 June 2003”. The Examiner must be confusing the current application with another application. Appellants filed a Supplemental Appeal Brief on June 23, 2004, not an amendment.

The Examiner has no authority to “deny applicant’s request for reinstatement of appeal”. It follows that Appellants’ Supplemental Appeal Brief filed June 23, 2004 remains active and pending. Appellants respectfully submit that this application is in condition for allowance.

Conclusion

The undersigned is willing to discuss any aspect of the application by telephone at the Office's convenience.

Respectfully submitted,



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